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State of California

DWCNewsline

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The Division of Workers' Compensation reminds claims administrators of their payment obligations for medical treatment provided to injured workers

The Division of Workers' Compensation (DWC) has received reports that workers' compensation claims administrators are refusing to pay for medical treatment provided by physicians or facilities to which injured employees were referred by their employers. Often in these cases, the employer has referred the injured employee to a physician or clinic that is not part of the insurer's medical provider network. In some instances, medical treatment that was authorized through the utilization review process has been provided and the claims administrator subsequently determines the physician who provided the treatment is not a part of the MPN.

California law makes employers liable for injuries or illnesses to employees that arise because of work, and requires employers to have a valid insurance policy or self insure to cover compensation to those employees, which includes medical treatment. Workers' compensation insurance protects employers against losses from liability imposed by law to compensate employees.

If medical treatment has been authorized by either the employer or insurer, it must be paid for in a timely manner, even if it is later determined the treatment authorization was made to a provider outside the medical provider network.

An employer is responsible for providing an injured employee with medical treatment or related care that is reasonably required to cure or relieve the effects of the injury¹. Within one working day after an employee files a claim form, the employer must authorize up to \$10,000 in treatment, consistent with medical treatment guidelines, for the injury until the claims administrator accepts or rejects liability for the claim.

The law² also provides that payment of medical treatment shall be made by the employer within 45 working days of receiving proper billing. If the bill or a portion of the bill is contested, denied or considered incomplete, the physician shall be notified in writing within 30 working days.

The DWC will monitor complaints received regarding claims administrators' refusals to pay for medical treatment incurred by injured workers and may use a claims administrator's failure to make timely payments as the basis for a target audit.

¹ Labor Code section 4600

² Labor Code section 4603.2

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